

# DVB research video – November 2014

**Bert van Leeuwen  
on Widebodies**



# Generation change twin aisle market segment



Boeing 787



Airbus A350 XWB



Boeing 747-8



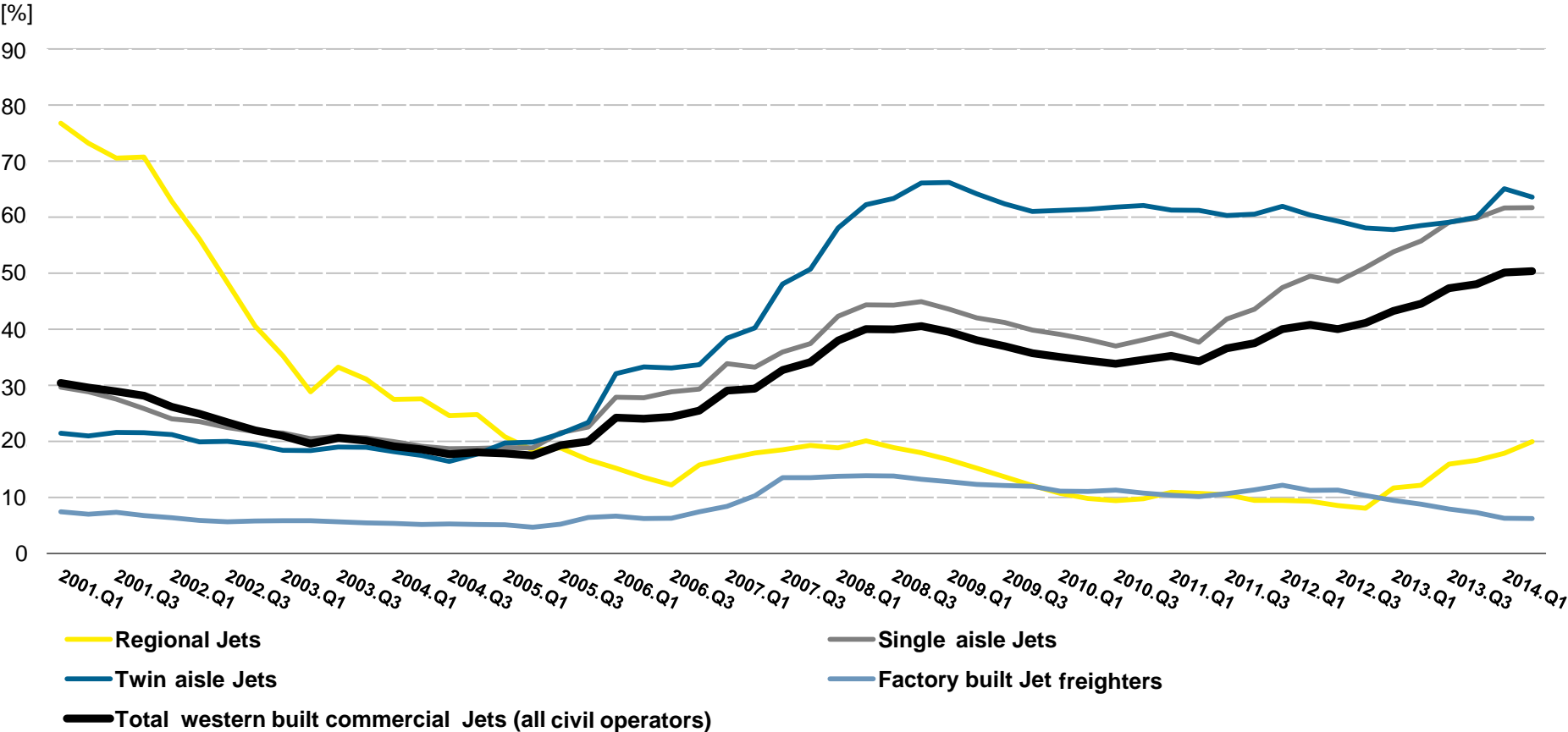
Boeing 777X



Airbus A330-800/900NEO

# Order cycle: Widebody boom, now Narrowbody boom

Western built commercial jets (civil operations) – Backlog as percentage of current fleet

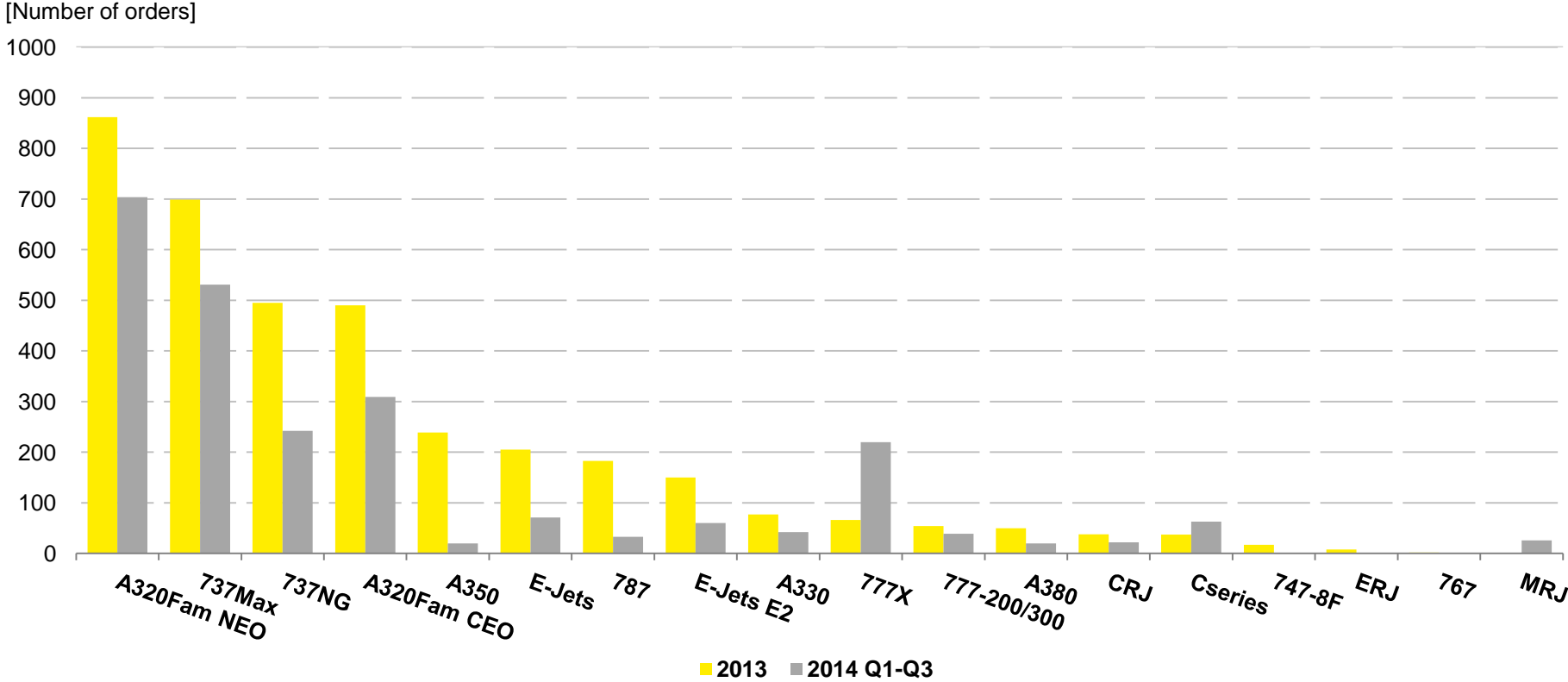


Source: Ascend / DVB Aviation Research



# Order cycle: 2014 YTD

## New commercial jet orders (western built, all civil operations) incl. type swaps

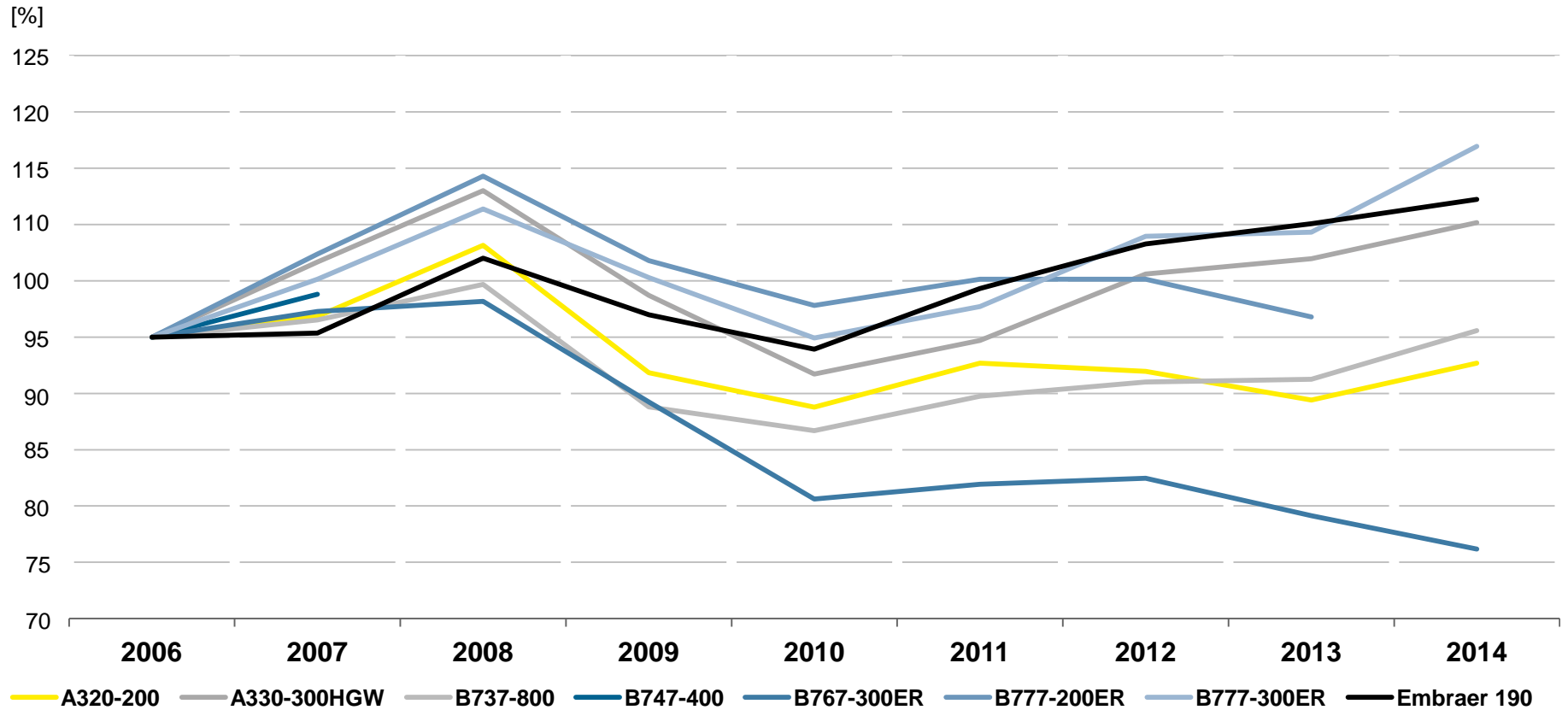


Source: Ascend / DVB Aviation Research



# Value dynamics differ per type

Current market values new commercial jets (Index 2006=100)

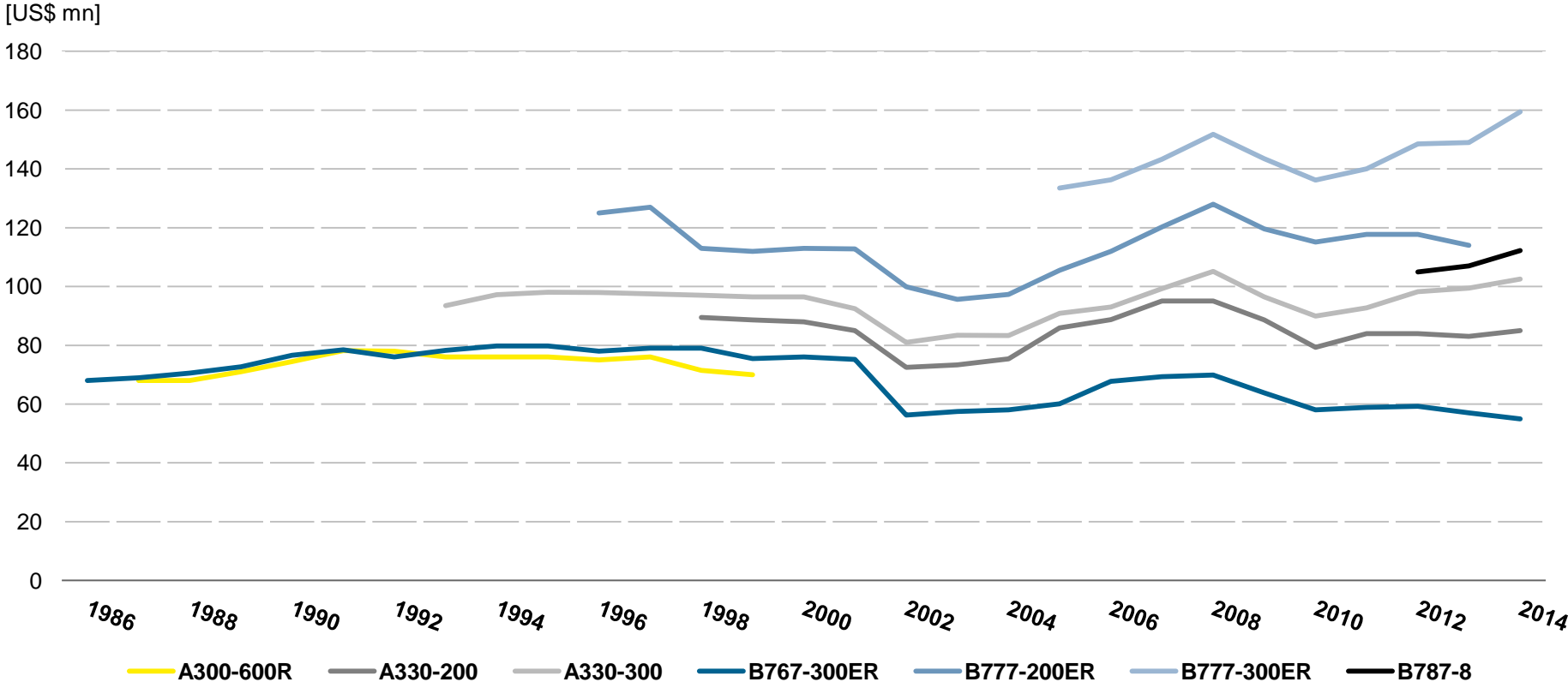


Source: Ascend / DVB Aviation Research



# Price cycle: 777-300er's unique position?

New twin aisle aircraft values (Ascend Jan. market values for 0 year old aircraft)



Source: Ascend / DVB Aviation Research



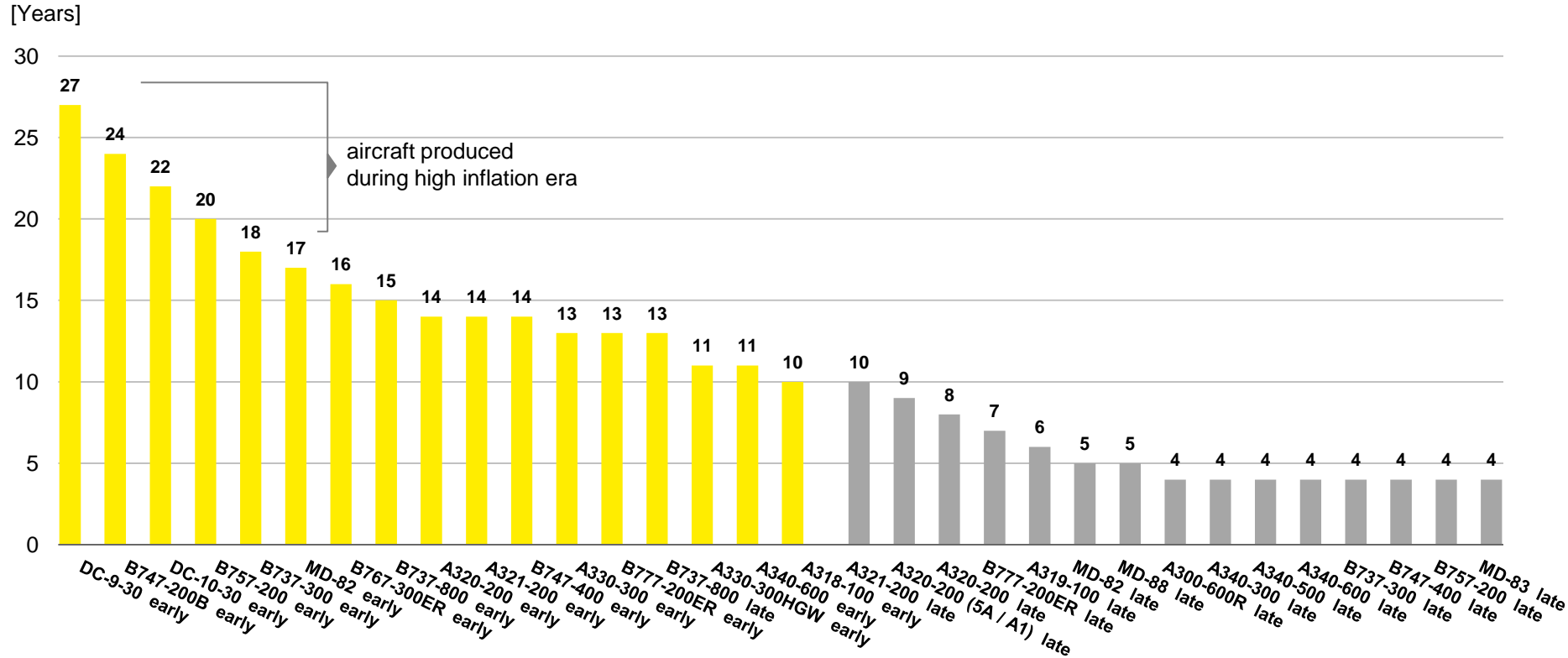
# This may change for the selected twin aisles

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- The quasi monopoly position of the 777-300ER as the largest twin engined widebody has allowed Boeing to charge a premium price for the type.
- This may come to an end because:
  - Airbus has launched a direct competitor, the A350-1000XWB.
  - Boeing has launched a successor, the 777-8X and 9X.
  - Boeing has still many production slots to sell for the current 777-300ER/200LR/200F.
- To incentivize airlines to buy new 777-300ER (interim lift? Replacement of aging -300ER fleet?), Boeing may have to lower the purchase price for the -300ER.
- For the 787, Boeing has significantly increased the price as well over the past years, to compensate for cost overruns (initial statement: same price level as 767).
- The A330-800/-900NEO may partly be used by Airbus to disrupt Boeing's pricing power for the 787 but this may also hurt (young) A330CEO values.

# Aircraft value "halving time" by type/vintage

## Early and late production models\*



Source: Ascend / DVB Aviation Research

\*(Age at which 1st aircraft of the type/production phase went under 50% of value-when-new.)

